

BMHA Board Meeting Minutes 04_12_2019

In attendance: Donna Brownlee, Jon Rinehart, Bob Ryneerson, Rae Trachsel

Guest: Erin Davis

For the Barkin' Basement: Dana Ryneerson

Meeting called to order 4:40 PM

I. Discrepancies between Barkin' Basement till forms---copies prepared by counter worker (Dana, Donna, or Bob) vs. copies recopied by the Rescue Director

A. Rae brought copies of the forms received from Barkin' Basement vs. those the Director prepares at the Rescue. There were a number of odd, minor discrepancies---usually less than \$1.00---between the forms. For example, one form showed a \$0.32 discrepancy, which would be impossible since there were no pennies collected that day. Although the differences are very minor, the question was raised as to why copies should be laboriously prepared by the Director anyway.

B. The Board discussed resolutions of the problem, and it was decided that the Director need not create a duplicate by hand. Instead, the Director should simply verify what the count is from the Barkin' Basement and, if necessary, write in a correction. Then he initials it, all on the ORIGINAL form.

C. The Board was also concerned about whether the money was being faithfully deposited. The Board resolved that a weekly deposit should be made, with the receipt being provided to the treasurer so that it can be verified against the weekly profit as based on the daily till forms. The Board also decided that, should it become necessary, photographs of daily till forms shall be taken to provide a record of the forms as received from the Barkin' Basement.

II. Financial accounting for Rescue/Barkin' Basement

A. Rae presented the Board with copies of the weekly income and outgo for March and for the first week of April. Rae is able to keep track of all cash and credit card intake on a daily basis and verify it against the deposit receipts. The deposits are matching what should be going in based on the record kept by the treasurer, so there's no issue there.

B. Rae suggested that all of the deposits, at least from Barkin' Basement, be deposited by Dana or Bob, so that the Director doesn't need to. This would be one more way to make sure we're "safe" and that the dollar amounts all match.

C. Rae also pointed out that the accounting we get from the accountant is a little screwy, since they do three different formats---one they use for everybody, then a summary, then a summary of the summary. Bob suggested that the accounting, especially for payroll, should be available every pay period at a minimum.

D. Rae also announced that she will be moving in June and we will lose our treasurer (again). So we need to try to identify someone who would be willing to do the work as well as Rae has.

III. Issues with Rescue

A. Rae set up a spay-neuter program in Idaho as a fund-raiser for the rescue. It allows us to obtain low-cost spay/neuter services both for Rescue animals as well as animals from the public. While we know how much they are charging for each spay/neuter, we DON'T know in many cases how much is being taken out of the checking account for the travel, and even if we do, it's not clear why the amount taken out is what it is. For example, one week he took over only public cats, and withdrew \$300.00 to pay for the spay/neuter services. Note that community members who want these services pay cash when they bring their animals, so the money should already be available. Unfortunately, we don't even know if receipts are being provided, because at 6AM Thursday mornings, he's the only one there. And on top of that, we have gas receipts for gas that the Director has charged over and above the money withdrawn.

And there's NO money coming back to the Rescue. (Bob noted that if there's fewer than 10 cats going over, it's not worth the expense, by the way). The Director charges \$60.00 to the public for spays, \$45.00 for neuters. The time 6 cats went over, all from the public, one of the cats had already been spayed, so they charged us for it (\$10.00 for the prep). The Director reimbursed the owner \$20.00 of the \$60.00 charged---so that's \$30.00 unaccounted for. The facility charges us \$20.00/neuter, \$25.00/spay. We have had over 200 cats go over to be fixed, so...where's the money? Nothing's getting deposited. And when an attempt is made to collect receipts for these surgeries, the Director says he does not have them. So Rae called her daughter, who this was set up with, and she says she provides an invoice every time he goes over. Moreover, on the invoice, they separate public cats from Rescue cats so we should have a clear picture of how much should be coming back to the Rescue. Rae noted that she can get copies of all those invoices, so we need those soon. As Bob noted, they are "bullets in the gun." So if the Director is pocketing the money, then that's \$35.00/female and \$25.00/male.

B. So...solutions?

1. Donna said that, for each person that brings in a cat to be spayed/neutered from the public, the receipt book needs to be there so he writes a receipt if he is paid cash (the credit receipts, presumably, would be receiptable and couldn't be altered.)

2. Bob suggested we do a private, in-house audit (actually, he said we ARE going to do it, but it would need to be voted by the Board, which I think everyone would be open to).

C. Account discrepancies

1. The balance in the Umpqua bank account is approx.. \$70,000, and the balance in the US account is around \$25,000. But at the beginning of January, when the large donation was received and deposited, the total was close to \$175,000. This means that in 4 months nearly \$80,000.00 has been spent. On what? There is no accounting and no receipts for where that money went. The Board needs to find out.

2. Solutions? Confront the Director, certainly, but the Board needs to take away the purse-strings from the Director. While Directors in other organizations like this one have

limited access for basic bill payments and repairs and small stuff, they do NOT have access to larger expenditures. Unfortunately, even though we now require 2 signatures on any check above \$250.00, there are still ways to spend the money, especially since the Board never sees the bank statements. So the Board needs copies of the bank account statements going back at least 6 months, to try to pin down how so much could have gotten spent and on what.

Donna brought up some important historical perspective: when John Brinlee came on board, he angered the existing Board, and they all resigned. The new Board that resulted was completely dysfunctional, with not a single individual knowing what their duties were, nor even taking them seriously. We can show where the money went during that period---because the conversion to high-save cost a lot more, over 5 years it would be easy to spend at least \$60,000.00 a year (or even more, given how the prior group spent money with cavalier disregard for the consequences), which accounts for the \$300,000.00 that was always questioned.

D. Unauthorized auto repairs: there are questionable invoices from Legacy for repairs to the van and to the truck, in excess of \$600.00. What were those repairs for? No clue. The Director should be asking the Board for approval for those expenditures, indeed for any expenditures. For example, the Director spent \$3,000.00 on tires last year. What? Were they performance racing tires?

At this point, John brought up an idea to help prevent some of the petty cash issues, especially with respect to draws for travel to Idaho---instead of allowing cash advances, allow only reimbursement. So the Director would be forced to spend their own money and present receipts for expenditures if they expect to receive that back. In that way, we prevent the cavalier withdrawal of \$300.00 at a time without any return of unspent funds back to the account, as this is another way that the Director could be lining their pockets. Bob suggested that the Director does not have the cash to do this (but see below regarding Director's pay draws).

Donna suggested starting a credit card with a limited amount (like a pre-paid) that the Director would have access to for gas and so forth. This is a great idea because if the Director wants the card refilled, receipts would have to be provided and the card would be refilled by that amount. In that way it would always stay at the same amount. Larger purchases would require approval by the Board.

Bob indicated that he had provided the Director with a Sinclair application; Sinclair stations are easy to find in the West (certainly between here and Boise), and we would save 10 cents a gallon in addition to being able to keep accurate track of gas expenditures. But the Director has not bothered to apply. Such cards typically carry a lower charge ceiling, as well, and we could always request a set maximum.

IV. Director pay discrepancies

At the meeting between John R., Bob, and the Director in November (and in prior discussions) it was pointed out that the historical pay was \$18,000.00/year. It's not codified in the bylaws but that's historically what it's been. While the Board has discussed numerous amounts (ranging from a low of \$12,000 + housing and utilities to a high of \$18,000 + the same), Donna proposed a salary of \$20,000 maximum, + room/ utilities the Director already receives by living at the

rescue, which is worth \$12,000/year according to Bob. That would bring the total salary compensation to \$32,000.00/year, which is very reasonable. Unfortunately, in the last 3 pay periods, the Director drew \$1,900.00 gross, which the President signed off on (so there would be a smoking gun, he noted), which amounts to \$46,000.00/year. This is unacceptable for the Director to not only fly in the face of what the Board has currently approved but also to arbitrarily dictate his own salary. Donna and John both suggested a contract needs to be drawn up and signed, which Bob was opposed to but which seemed reasonable both to protect the Board and to protect the Director. Donna researched this a lot, and ultimately the Board came up with 2 options, which the Director could choose from:

A. Salary. John noted that the salary was never meant to be one designed as a sole source of income for the Director, and that's just the way it has to be, because the Board cannot afford to pay what the director THINKS he's worth. But the Board raised the amount from \$18,000.00 to \$20,000.00/yr, plus room and utilities, which as noted above would be a total compensation package of \$32,000.00/yr. John said this would also allow for eventual increase should the work be getting done. It would also allow for a discussion of potentially compensating the Director for some years he was not paid, though it is a matter of public record that during that time he voluntarily gave up his salary for the good of the mission. The Director would need to understand that salary is payment for a job done and does not take into account actual hours, a standard for salary compensations. If the Director objects, it can be made clear that if an employee is residing at the workplace for the purpose of performing emergency or occasional duties, BOLI says they are exempt from a minimum wage.

B. Hourly pay. The Director would be paid for 30 hours per week at a rate of \$12.00/hour, which is above current minimum wage. Donna suggested the Director could choose the days off, which Bob was STRONGLY opposed to (even threatening to resign should that be the case). If the Director chooses this option, then he would be required to vacate the premises and remove ALL personal belongings from the property. He would still be required to designate someone who would be available for on-call duties, either a volunteer or other paid employee. The Director would be required to be present at all open hours for the rescue and would continue picking up donations, unless he could designate someone else to do that (again, a volunteer). This package would result in a compensation of \$18,720.00, significantly less than the salary option. Time worked MUST be clearly documented. Overtime would not be part of the issue, he's not, so if he wants overtime, he cannot reside on the property.

C. The Board also brought up the need for a contract. Bob was opposed to this also, but John AND Donna both indicated a contract is essential, to protect both the Board and the Director, and to CLEARLY spell out ALL expected duties to be performed by the Director. This would allow the contract to become void if any of the duties were not carried out and would allow the removal of the Director without legal consequence at that time. Also, the Board will no longer pay for his personal vehicle nor for his personal phone. The Board will buy a

V. Rescue issues

A. Bob suggested the Board needs to have a full set of keys to access the property, since there have been times that the Director was gone (seemingly without anyone knowing

where he was---perhaps on his second job?) and preventing access to areas that are critical for the daily operation. Erin and Rae both noted this is a continuing problem.

B. The Director needs Board approval to hire employees. Frankly, a lot of what paid employees do out there (aside from Erin, who is critical to the work) could and should be done by the Director. And moreover, the Director has a big stack of completed volunteer forms---he needs to be getting on the phone to those people and encouraging them to help out to relieve the paycheck stress. That certainly should be part of his duties as the Director, who is supposed to see to all aspects of the smooth and successful operation of the facility. Donna noted that a Director has the ability to hire/fire on a limited basis, as that's what Directors do. While Bob was opposed to this, he did note that his main concern was that the Director was hiring people, for example to do front desk duties, that he should be doing as the Director. In other Directorships the Director must request approval to hire.

C. Ultimately, the job just isn't getting done. Financial information reporting is haphazard at best, stuff is piling up again and creating a poor appearance, and the Director's personal items are continually creeping into the space that should be for Rescue use. The Director has not done anything he was told to do in November.

D. Any draws by any employee need to be initialed by that employee (with the date, Donna suggested)

E. Fundraising and volunteer activities must be part of his duties

F. What about the vehicles? We should just call B&K and get them hauled away if they don't run.

G. If he doesn't clear his personal crap then we should just go in and toss it all! Give him 15-30 days to clear it out and on the very next day we get a dumpster and toss it all.

H. He needs to work regular hours! No more getting up at the crack of 11AM while dog poop and urine are in the rescue.

I. Training needs to go beyond just dog walking. John needs to learn how to do front counter and needs to identify volunteers to help out.

We also need to find a better internet provider/phone provider (cheaper)

At any rate the kid gloves need to come off.

Meeting adjourned 6:20 PM, though there are STILL things that need to be talked about.